

**Memorandum of Agreement
between
SEARHC and Juneau Youth Services
regarding
The Montana Creek Residential Treatment Facility
July 18, 2005**

The purpose of this agreement is to set forth the collaborative framework between SEARHC and Juneau Youth Services (JYS) regarding the development and operation of the Montana Creek Residential Treatment Facility.

Points of Contact

1. The main point of contact for JYS for this agreement will be Walter Majoros, Executive Director.
2. The main point of contact for SEARHC for this agreement will be Pat Hefley, Behavioral Health Director.

Facility Development and Ownership Issues

1. JYS will be owner of the facility and the applicant for all capital grants and loans to build the facility.
2. JYS will be responsible for all project management functions associated with the building of the facility.
3. JYS and SEARHC will collaboratively address all design and space utilization issues regarding the facility.
4. JYS will lease the facility to SEARHC upon completion at no cost.
5. JYS will be responsible for all facility maintenance, repairs and renovations.

Program Development

1. JYS and SEARHC will collaboratively address program development issues including: program philosophy; treatment models and approaches; program standards; and policies and procedures.
2. JYS will be responsible for developing the written documentation for all elements of program development.

Program Operations

1. SEARHC will be the enrolled Medicaid provider for all behavioral health services provided within the facility.
2. JYS will be the operator of the facility and will be responsible for all aspects of program operations.
3. SEARHC will reimburse JYS for services at the same rates that JYS receives for Medicaid-funded behavioral health services in comparable JYS residential facilities.
4. SEARHC will be responsible for Medicaid billing and quality assurance. These functions will be reimbursed through a continuing care agreement between SEARHC and the state Department of Health and Social Services.

Joint Venture Contract Development

1. JYS and SEARHC will review the legal background and options for structuring the contractual relationship between the two entities regarding program services to ensure compliance with federal and state law applicable to health care services.
2. The contract will delineate the specific legal responsibilities for both JYS and SEARHC in relationship to the joint venture agreement.
3. The contract will be finalized prior to clients receiving services in the new facility, which is expected to occur in August 2006.

This agreement becomes effective upon the signature of the authorized representatives listed below. Either party may terminate the agreement with 30 days written notice from the authorized representative to the other party. The agreement may be modified with the signature of the authorized representatives listed below.

Authorized Representatives:

Ken Brewer 7/16/05
Ken Brewer date
President/CEO
SEARHC

Walter Majoros 7/18/05
Walter Majoros date
Executive Director
Juneau Youth Services